

37.602-2

(3) Rely on the use of measurable performance standards and financial incentives in a competitive environment to encourage competitors to develop and institute innovative and cost-effective methods of performing the work; and

(4) Avoid combining requirements into a single acquisition that is too broad for the agency or a prospective contractor to manage effectively.

[48 FR 42365, Sept. 19, 1983, as amended at 64 FR 32742, June 17, 1999]

37.602-2 Quality assurance.

Agencies shall develop quality assurance surveillance plans when acquiring services (see 46.103 and 46.401(a)). These plans shall recognize the responsibility of the contractor (see 46.105) to carry out its quality control obligations and shall contain measurable inspection and acceptance criteria corresponding to the performance standards contained in the statement of work. The quality assurance surveillance plans shall focus on the level of performance required by the statement of work, rather than the methodology used by the contractor to achieve that level of performance.

37.602-3 Selection procedures.

Agencies shall use competitive negotiations when appropriate to ensure selection of services that offer the best value to the Government, cost and other factors considered (see 15.304).

[62 FR 44815, Aug. 22, 1997, as amended at 63 FR 70292, Dec. 18, 1998]

37.602-4 Contract type.

Contract types most likely to motivate contractors to perform at optimal levels shall be chosen (see subpart 16.1 and, for research and development contracts, see 35.006). To the maximum extent practicable, performance incentives, either positive or negative or both, shall be incorporated into the contract to encourage contractors to increase efficiency and maximize performance (see subpart 16.4). These incentives shall correspond to the specific performance standards in the quality assurance surveillance plan and shall be capable of being measured ob-

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jectively. Fixed-price contracts are generally appropriate for services that can be defined objectively and for which the risk of performance is manageable (see subpart 16.1).

37.602-5 Follow-on and repetitive requirements.

When acquiring services that previously have been provided by contract, agencies shall rely on the experience gained from the prior contract to incorporate performance-based contracting methods to the maximum extent practicable. This will facilitate the use of fixed-price contracts for such requirements for services. (See 7.105 for requirement to address performance-based contracting strategies in acquisition plans. See also 16.104(k).)

PART 38—FEDERAL SUPPLY SCHEDULE CONTRACTING

Sec.

38.000 Scope of part.

Subpart 38.1—Federal Supply Schedule Program

38.101 General.

Subpart 38.2—Establishing and Administering Federal Supply Schedules

38.201 Coordination requirements.

AUTHORITY: 40 U.S.C. 486(c); 10 U.S.C. Chapter 137; and 42 U.S.C. 2473(c).

SOURCE: 48 FR 42368, Sept. 19, 1983, unless otherwise noted.

38.000 Scope of part.

This part prescribes policies and procedures for contracting for supplies and services under the Federal Supply Schedule program, which is directed and managed by the General Services Administration (see subpart 8.4, Federal Supply Schedules, for additional information). The Department of Defense uses a similar system of schedule contracting for military items that are also not a part of the Federal Supply Schedule program.

[59 FR 53717, Oct. 25, 1994, as amended at 61 FR 41470, Aug. 8, 1996]